

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
v.)	Civil No. 1:09-cv-00782-MAC
)	
RONALD FONTENOT, et al.,)	
)	
Defendants.)	

STIPULATED PERMANENT INJUNCTION
AS TO DEFENDANTS RONALD FONTENOT AND ANTHONY BURRELL

The United States has filed a complaint in which it seeks, in part, a permanent injunction under 26 U.S.C. §§ 7402(a), 7407, and 7408 against the above-named defendants. The United States alleges, in part, that the defendants have promoted a tax-fraud scheme that is designed to enable customers to claim false or fraudulent federal income tax credits, pursuant to Internal Revenue Code (I.R.C.) (26 U.S.C.) § 45K (formerly I.R.C. § 29), for the purported sale of fuel from nonconventional sources (“FNS”), leading to an understatement of the customers’ tax liabilities (the “FNS credit scheme”).

Defendants Ronald Fontenot and Anthony Burrell waive the entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, consent to the entry of this permanent injunction, and agree to be bound by its terms. The United States, Ronald Fontenot and Anthony Burrell agree that no provision

in this stipulated permanent injunction or the fact that Ronald Fontenot and Anthony Burrell are agreeing to it constitutes an admission by them of any of the allegations made by the United States or any other party in the above captioned case. The defendants specifically deny the allegations made against them individually or collectively, directly or indirectly. Ronald Fontenot and Anthony Burrell understand that this permanent injunction constitutes the final judgment in this matter, and waive the right to appeal from this judgment.

The United States, Ronald Fontenot and Anthony Burrell further agree that entry of this permanent injunction neither precludes the Internal Revenue Service from assessing penalties against Ronald Fontenot or Anthony Burrell for asserted violations of the Internal Revenue Code nor precludes Ronald Fontenot or Anthony Burrell from contesting such penalties. Ronald Fontenot and Anthony Burrell further understand and agree that the Court will retain jurisdiction over this matter for the purpose of implementing and enforcing this injunction and understand that if they violate the injunction, they may be subject to civil and criminal sanctions for contempt of court.

ORDER

IT IS ORDERED that Ronald Fontenot and Anthony Burrell and their representatives, agents, servants, employees and anyone in active concert or participation with them, are **PERMANENTLY ENJOINED**, pursuant to Internal Revenue Code (I.R.C.) (26 U.S.C.) §§ 7402, 7407 and 7408, effective from entry of this Order from

directly or indirectly:

(1) Organizing, promoting, marketing, or selling the FNS credit scheme or any other tax shelter, plan, or other arrangement that advises or assists customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities;

(2) Causing and/or assisting other persons or entities to understate their federal tax liabilities on their federal tax returns;

(3) Engaging in any conduct subject to penalty under IRC § 6700 by making or furnishing false statements about the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by the reason of participating in any tax shelter, plan or arrangement, or making gross valuation overstatements;

(4) Engaging in activity subject to penalty under I.R.C. § 6701, including advising with respect to, preparing, or assisting in the preparation of a document related to a material matter under the internal revenue laws that they know will, if used, result in an understatement of another person's tax liability;

(5) Engaging in any activity subject to penalty under I.R.C. § 6695, including failing to comply with section 6107(b) (which requires a preparer to retain a copy or list of all tax returns he prepares and give it to the IRS on request), or negotiating a check made in respect of taxes imposed by this title which is issued to a taxpayer,

(6) Engaging in any activity subject to penalty under I.R.C. § 6694, including preparing federal tax returns that assert frivolous or unrealistic positions, or willfully and recklessly understating federal tax liability;

(7) Altering or backdating documents or delaying the negotiation of checks in order to deceive the IRS or to obstruct or impede IRS investigations;

(8) Engaging in conduct designed or intended to, or having the effect of, obstructing or delaying any Internal Revenue Service investigation or audit; or

(9) Engaging in any other conduct subject to penalty under any penalty provision of the IRC, or engaging in any other conduct that interferes with the administration and enforcement of the internal revenue laws.

(10) Misrepresenting the terms of this Order.

(11) Endorsing or otherwise negotiating any check issued to a client by the government in respect of a Federal tax liability.

IT IS FURTHER ORDERED that Ronald Fontenot and Anthony Burrell must produce to counsel for the United States within 30 days a list identifying (by name, address, e-mail address, phone number, and Social Security or other tax identification number) all customers for whom they prepared, or assisted in preparing, tax returns claiming FNS credits between January 1, 2003, and July 1, 2009.

IT IS FURTHER ORDERED that Ronald Fontenot and Anthony Burrell, at their own expense, contact by mail all customers for whom they prepared, or assisted in

preparing, federal income tax returns claiming FNS credits between January 1, 2003, and July 1, 2009, and inform them of this injunction and enclose a copy of this injunction. If Ronald Fontenot or Anthony Burrell encloses a letter or any other material with the mailing, the enclosure must be approved either by counsel for the Government or by the Court. Ronald Fontenot and Anthony Burrell shall file with the Court, within 40 days of the date of this permanent injunction, a certification signed under penalty of perjury confirming that they have so notified the customers as required by this paragraph.

IT IS FURTHER ORDERED that the Court retains jurisdiction to enforce this injunction and the United States (through the Department of Justice, Tax Division) may engage in post-judgment discovery to monitor Ronald Fontenot's and Anthony Burrell's compliance with this injunction.

SIGNED at Beaumont, Texas, this 12th day of September, 2011.

A handwritten signature in black ink, reading "Marcia A. Crone", is positioned above a horizontal line.

MARCIA A. CRONE
UNITED STATES DISTRICT JUDGE